

Earned Income Credit (EIC) Advance Payment Information

►(Effective Pay Period 5, 2009)◄

Use the following steps to calculate the EIC advance payment. **Note:** Once the employee's year-to-date annual taxable wages paid reach **\$35,463** or more for **single, head of household, or widow(er)** filers or **\$40,464** or more for **married** filers, the EIC advance payment is \$0.00.

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefit Plan payment(s) (includes flexible spending account – health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual taxable wages.
5. If the employee (**single, head of household, or qualifying widow(er)**) is filing for EIC advance payment, apply the annual taxable wages to the following table:

If the Amount of Annual Wages Is:		The Amount of EIC Advance Payment Should Be:			
Over:	But Not Over:			Of Excess Over:	
\$ 0	\$ 8,950.00	\$ 0	plus	20.400%	\$ 0
8,950.00	16,420.00	1,826.00			
16,420.00	35,464.64	1,826.00	less	9.588%	16,420.00
35,464.64	and over	0			

6. If the **married employee (not spouse)** is filing for EIC advance payment, apply the annual taxable wages to the following table:

If the Amount of Annual Wages Is:		The Amount of EIC Advance Payment Should Be:			
Over:	But Not Over:			Of Excess Over:	
\$ 0	\$ 8,950.00	\$ 0	plus	20.400%	\$ 0
8,950.00	►21,420.00	1,826.00			
21,420.00	40,464.63	1,826.00	less	9.588%	21,420.00
40,464.63◄	and over	0			

7. If the **married employee and spouse** are filing for EIC advance payment, apply the annual taxable wages to the following table:

If the Amount of Annual Wages Is:		The Amount of EIC Advance Payment Should Be:			
Over:	But Not Over:			Of Excess Over:	
\$ 0	\$ 4,475.00	\$ 0	plus	20.400%	\$ 0
4,475.00	►10,710.00	913.00			
10,710.00	20,232.31	913.00	less	9.588%	10,710.00
20,232.31◄	and over	0			

8. Divide the annual EIC advance payment amount by 26 to obtain the biweekly EIC advance payment amount.